

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

RETIREMENT/STATE SYSTEMS. Relative to the state retirement systems, makes changes to the benefits for persons hired on or after January 1, 2011

DIGEST

Proposed law generally makes changes to the benefit structure of the four state retirement systems, which are the La. State Employees' Retirement System (LASERS), the Teachers' Retirement System of La. (TRSL), the La. School Employees' Retirement System (LSERS), and the State Police Pension and Retirement System (LSPRS), for persons whose first employment making them eligible for membership in any state retirement system occurs on or before Jan. 1, 2011, in the following respects:

- (1) Employee contribution rates.
- (2) Final average compensation.
- (3) Benefit accrual rates.
- (4) Retirement eligibility.
- (5) Disability benefits.
- (6) Survivor benefits.

Present law, relative to LASERS, provides generally for several plans that provide enhanced benefits (i.e. retirement benefits, disability benefits, survivor benefits, etc.) to certain individuals:

- (1) Wildlife agents of the enforcement division of the Dept. of Wildlife and Fisheries.
- (2) Wardens, correctional officers, security personnel, and probation and parole officers employed by the Dept. of Public Safety and Corrections (DPS&C).
- (3) Full-time law enforcement personnel, supervisors, and administrators who are employed with the Dept. of Revenue, office of alcohol and tobacco control, who are Peace Officers Standards and Training (P.O.S.T.)-certified, who have the power to arrest, and who hold a commission from such office.
- (4) Peace officers, as defined by R.S. 40:2402(3)(a), employed by the DPS&C, office of state police, other than state troopers.
- (5) Judges.
- (6) The governor, lieutenant governor, and certain legislators.
- (7) The clerk of the House and secretary of the Senate, and the sergeants at arms of the House and Senate.

Proposed law closes all such subplans and eliminates such enhanced benefit provisions within LASERS relative to such persons listed above, whose first employment making them eligible for membership in any state retirement system begins on or after Jan. 1, 2011. Provides for membership of all hazardous duty personnel in LASERS in the Hazardous Duty Services Plan within LASERS created pursuant to proposed law, regardless of whether such persons receive enhanced benefits under present law. Further provides that the individuals referenced in (5), (6), and (7) above, whose first employment making them eligible for

membership in any state retirement system began on or after Jan. 1, 2011, will receive the same benefits as rank-and-file members.

Proposed law generally creates the Hazardous Duty Services Plan within LASERS for certain law enforcement personnel whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, who are members of LASERS, and provides that members of existing hazardous duty plans may retain membership in those plans. Provides that with respect to any matters not addressed within the provisions of the Hazardous Duty Services Plan, the generally applicable LASERS provisions shall apply. The personnel eligible for the Hazardous Duty Services Plan include the following persons whose first employment making them eligible for membership in any state retirement system begins on or after Jan. 1, 2011:

- (1) Wildlife agents of the enforcement division of the Dept. of Wildlife and Fisheries.
- (2) Wardens, correctional officers, security personnel, and probation and parole officers employed by DPS&C.
- (3) Employees of the bridge police section of the Crescent City Connection Division of the Dept. of Transportation and Development (DOTD).
- (4) Full-time law enforcement personnel, supervisors, and administrators who are employed with the Dept. of Revenue, office of alcohol and tobacco control, who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission from such office.
- (5) Peace officers, as defined by R.S. 40:2402(3)(a), employed by DPS&C, office of state police, other than state troopers.
- (6) Arson investigators employed by the office of state fire marshal who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission from such office.
- (7) Park rangers employed by the Dept. of Culture, Recreation and Tourism, office of state parks, who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission from such office.
- (8) Campus police officers employed by postsecondary education institutions, who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission required for employment.
- (9) Hospital security officers employed by LSU Health Sciences Center, who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission required for employment.
- (10) Investigators of the Dept. of Justice who are in a position required to be P.O.S.T.-certified.
- (11) Investigators of the office of state inspector general who are in a position required to be P.O.S.T.-certified.
- (12) All personnel employed in positions required to be P.O.S.T.-certified, who have the power to arrest, and who hold commissions required for employment, who are otherwise members of LASERS and are not members of any other retirement system.

Proposed law allows transfer of service credit and upgrade of accruals earned in other LASERS plans to the hazardous duty plan under certain circumstances, requiring the member to pay certain actuarial costs and any additional cost related to Office of Group Benefits premiums.

Proposed law establishes within LSPRS a plan similar to the LASERS Hazardous Duty Services Plan, called the New State Police Retirement Plan, for members of LSPRS whose first employment making them eligible for membership in any state retirement system began on or after Jan. 1, 2011.

EMPLOYEE CONTRIBUTIONS

Present law establishes the employee contribution rates in the following amounts for members of the four state retirement systems:

- (1) LASERS: Rank-and-file state employees - 7.5% if hired on or before June 30, 2006; 8% if hired on or after July 1, 2006.
- (2) LASERS: Judges, court officers, the governor, lieutenant governor, and certain legislators - 11.5%.
- (3) LASERS: Certain correctional employees employed by the DPS&C; peace officers employed by the DPS&C, office of state police, other than state troopers; and personnel employed by the Dept. of Revenue, office of alcohol and tobacco control, as provided in R.S. 11:444(A)(2)(c) - 9%.
- (4) LASERS: Clerk of the House and secretary of the Senate - 9.5%.
- (5) LASERS: Wildlife agents - 9.5%.
- (6) LASERS: Bridge police of the Crescent City Connection Division of DOTD - 8.5%.
- (7) TRSL: 8% for regular members, 9.1% for School Lunch Plan A members, and 5% for School Lunch Plan B members.
- (8) LSERS: 7.5%.
- (9) LSPRS: 8.5%.

Proposed law requires rank-and-file members of state retirement systems whose first employment making them eligible for membership in any state retirement system begins on or after Jan. 1, 2011, to pay 8% of compensation in employee contributions. Further requires hazardous duty members in the Hazardous Duty Services Plan in LASERS and the New State Police Retirement Plan to pay 9.5% of compensation in employee contributions. Requires the legislative sergeants at arms to pay 9.5% of compensation in employee contributions if employed prior to December 31, 2010; and 8% if employed thereafter.

AVERAGE COMPENSATION

I. LASERS

Present law provides that, for purposes of retirement benefit computation, average compensation of a LASERS rank-and-file member hired on or before June 30, 2006, shall be based on the 36 highest successive months of employment or on the highest 36 successive joined months of employment where interruption of service occurred. The earnings to be considered for the first, second, and last 12-month period shall not increase by more than 25% (anti-spiking provisions) over the previous 12-month period.

Present law provides the same 36-month average compensation provisions to apply to certain persons, regardless of hire date, who receive an additional benefit pursuant to present law (certain peace officers, wildlife agents, public safety services employees, judicial administrators, judges, certain legislators, the governor, lieutenant governor, the clerk and sergeant at arms of the House of Representatives, the secretary and the sergeant at arms of the Senate).

Present law provides that, for any rank-and-file member whose first employment making him eligible for membership in any state retirement system occurred on or after July 1, 2006, average compensation shall be calculated over a 60-month period, and the anti-spiking provisions prohibit a year-over-year increase in earnings of more than 15% each year of such period.

Proposed law retains present law but provides that persons whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, who would receive an additional benefit pursuant to present law (certain peace officers, wildlife agents, public safety services employees, judicial administrators, judges, certain legislators, the governor, lieutenant governor, the clerk and sergeant at arms of the House of Representatives, the secretary and the sergeant at arms of the Senate), shall have their average compensation calculated over a 60-month period and shall be subject to the 15% anti-spiking.

II. TRSL

Present law provides that average compensation for a teacher shall mean the three highest successive years of employment or the three highest joined successive years where a break in service occurred. Furthermore, anti-spiking provisions prohibit a year-over-year increase in earnings of more than 10% each year of such period.

Proposed law retains present law but provides that average compensation for any teacher whose first employment making them eligible for membership in any state retirement system begins on or after Jan. 1, 2011, shall be calculated over the highest five years, and the anti-spiking provisions relative to such persons prohibit a year-over-year increase in earnings of more than 15% each year of such period.

III. LSERS

Present law provides that average compensation for a school employee hired on or before June 30, 2006, shall mean the three highest consecutive years of employment or the three highest joined successive years where a break in service occurred. Provides that average compensation for any school employee hired on or after July 1, 2006, shall be calculated over five years. Furthermore, anti-spiking provisions prohibit a year-over-year increase in earnings of more than 10% each year of such period.

Proposed law retains present law with regard to the 5-year final average compensation period, but provides that for members whose first employment making them eligible for membership in any state retirement system begins on or after Jan. 1, 2011, the anti-spiking provisions relative to such persons prohibit a year-over-year increase in earnings of more than 15% each year of such period.

IV. LSPRS

Present law provides that average compensation for a member of the system hired before Sept. 8, 1978, shall be based on the highest one-year period.

Present law provides that average compensation for a member of the system hired on or after Sept. 8, 1978, shall be based on the highest three-year period. Furthermore, anti-spiking provisions prohibit a year-over-year increase in earnings of more than 25% during any year of such period.

Proposed law retains present law but, pursuant to the New State Police Retirement Plan created under proposed law, provides that for any member of the system whose first employment making him eligible for membership in any state retirement system begins on or after Jan. 1, 2011, average compensation shall be calculated over the highest five years. Furthermore, anti-spiking provisions prohibit a year-over-year increase in earnings of more than 15% during any year in such period.

RETIREMENT ELIGIBILITY

I. LASERS

Present law provides for retirement eligibility for members of LASERS. Rank-and-file members hired on or before June 30, 2006, may retire: (1) at age 60 with 10 years of service credit; (2) at age 55 with 25 years of service credit; (3) at any age with 30 years of service credit; and (4) at any age with 20 years of service credit, but subject to an actuarial reduction of benefits. Provides that rank-and-file members hired on or after July 1, 2006, may only retire at age 60 with 10 years of service credit.

Proposed law allows rank-and-file members hired on or after July 1, 2006, to retire: (1) at age 60 with five years of service credit; and (2) at any age with 20 years of service credit, but subject to an actuarial reduction of benefits.

Present law also provides various eligibility provisions for several hazardous duty subplans within LASERS, including plans for:

- (1) Wildlife agents of the enforcement division of the Dept. of Wildlife and Fisheries:
 - (a) 10 years of service at age 55 if hired before July 1, 2003.
 - (b) 20 years of service at any age if hired before July 1, 2003.
 - (c) 10 years of service at age 60 if hired on or after July 1, 2003.
 - (d) 25 years of service at any age if hired on or after July 1, 2003.
- (2) Wardens, correctional officers, security personnel, and probation and parole officers employed by DPS&C:
 - (a) 10 years of service at age 60.
 - (b) 25 years of service at any age.
- (3) Full-time law enforcement personnel, supervisors, and administrators who are employed with the Dept. of Revenue, office of alcohol and tobacco control, who are Peace Officers Standard and Training (P.O.S.T.)-certified, who have the power to arrest, and who hold a commission from such office:
 - (a) 10 years of service at age 60.
 - (b) 25 years of service at any age.
 - (c) 20 years of service at any age, but subject to an actuarial reduction of benefits.
- (4) Peace officers, employed by DPS&C, office of state police, other than state troopers:
 - (a) 10 years of service at age 60.
 - (b) 25 years of service at age 55.
 - (c) 30 years of service at any age.
 - (d) 20 years of service at any age, but subject to an actuarial reduction of benefits.
- (5) Bridge police in the Crescent City Connection Division of DOTD:
 - (a) 10 years of service at age 60.
 - (b) 25 years of service at any age.
 - (c) 20 years of service at any age, but subject to an actuarial reduction of benefits.

Proposed law retains present law for hazardous duty personnel whose first employment making them eligible for membership in any state retirement system occurred on or before Dec. 31, 2010. However, pursuant to the Hazardous Duty Services Plan created by proposed law, any hazardous duty personnel whose first employment making them eligible for membership in any state retirement system begins on or after Jan. 1, 2011, shall only be eligible to retire with:

- (a) 12 years of service at age 55.
- (b) 25 years of service at any age.
- (c) 20 years of service at any age, but subject to an actuarial reduction of benefits.

Present law provides a subplan within LASERS for judges and court officers containing special retirement eligibility requirements and benefit provisions:

- (a) 10 years as a judge / court officer at age 65.
- (b) 18 years as a judge / court officer at any age.
- (c) 20 years of service at age 50 (with 12 years served as judge / court officer).
- (d) 12 years at age 55 (with 12 years served as judge / court officer).
- (e) Age 70 with no service requirements.

Proposed law retains present law for judges and court officers whose first employment making them eligible for membership in any state retirement system began on or before Dec. 31, 2010. However, any judges or court officers whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, shall only be eligible to retire: (1) at age 60 with five years of service credit; and (2) at any age with 20 years of service credit, but subject to an actuarial reduction of benefits.

II. TRSL

Present law provides for retirement eligibility for members of TRSL. Members hired before July 1, 1999, may retire: (1) at the age of 60 with five years of service credit; or (2) at any age with 20 years of service credit. Members hired on or after July 1, 1999, may retire: (1) at the age of 60 with five years of service credit; (2) at the age of 55 with 25 years of service credit; (3) at any age with 30 years of service credit; and (4) at any age with 20 years of service credit, but subject to an actuarial reduction in benefits.

Proposed law retains present law but provides that present law's retirement eligibility requirements apply only to members whose first employment making them eligible for membership in any state retirement system began on or before Dec. 31, 2010. Provides that members whose first employment making them eligible for membership in any of the state retirement systems occurs on or after Jan. 1, 2011, may retire: (1) at age 60 with five years of service credit; and (2) at any age with 20 years of service credit, but subject to an actuarial reduction of benefits.

III. LSERS

Present law provides for retirement eligibility for members of LSERS. Members may retire: (1) at the age of 60 with 10 years of service credit; (2) at the age of 55 with 25 years of service credit; (3) at any age with 30 years of service credit; and (4) at any age with 20 years of service credit, but subject to an actuarial reduction in benefits.

Proposed law retains present law but provides that present law's retirement eligibility requirements apply only to members whose first employment making them eligible for membership in any state retirement system occurred on or before Dec. 31, 2010. Provides that members whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, may retire: (1) at age 60 with five years of service credit; and (2) at any age with 20 years of service credit, but subject to an actuarial reduction of benefits.

IV. LSPRS

Present law provides that a member of LSPRS may retire if he has:

- (1) 10 years of service at age 50.
- (2) 20 years of service at any age if hired before Sept. 8, 1978.
- (3) 25 years of service at any age if hired on or after Sept. 8, 1978.

Proposed law retains present law but provides that, in accordance with the New State Police Retirement Plan established under proposed law, a member of LSPRS whose first employment making him eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, shall only be able to retire if he has:

- (1) 12 years of service at age 55.
- (2) 25 years of service at any age.
- (3) 20 years of service at any age, but subject to an actuarial reduction of benefits.

V. GOVERNOR, LIEUTENANT GOVERNOR, LEGISLATORS, HOUSE CLERK, SERGEANTS AT ARMS, SENATE SECRETARY, AND STATE TREASURER.

Present law provides the following retirement eligibility provisions for the governor, legislators, the clerk or sergeant at arms of the House of Representatives, the secretary or sergeant at arms of the Senate, and the state treasurer, in any actuarially funded retirement system: 20 years of service (at least 12 served in the designated position) at age 50 (or the age requirement of the system of which he is a member).

Present law also permits the governor, lieutenant governor, or member of the legislature to retire with:

- (1) 16 years in such position at any age.
- (2) 12 years in such position at age 55.

Proposed law provides that such members, hired or elected on or after Jan. 1, 2011, may retire: (1) at age 60 with five years of service credit; and (2) at any age with 20 years of service credit, but subject to an actuarial reduction of benefits.

BENEFIT ACCRUAL RATE

Present law generally provides for a benefit calculation formula for members of each state system typically consisting of: (years of service) x (accrual rate) x (average compensation), where the accrual rate is a percentage of pay, typically equal to 2.5%, 3%, 3-1/3%, or 3.5%, depending on the member's job classification and retirement system.

I. LASERS

Present law provides for an accrual rate of 2.5% for rank-and-file members, and 3% to 3-1/3% for certain hazardous duty personnel. Also provides for a 2.5% accrual rate with an extra 1% accrual for every year of service as a judge or court officer.

Present law provides for a 3-1/3% accrual rate for the following groups:

- (1) Wildlife agents of the enforcement division of the Dept. of Wildlife and Fisheries.
- (2) Wardens, correctional officers, security personnel, and probation and parole officers employed by DPS&C.
- (3) Full-time law enforcement personnel, supervisors, and administrators who are employed with the Dept. of Revenue, office of alcohol and tobacco control, who are P.O.S.T.-certified, who have the power to arrest, and who hold a commission from such office.
- (4) Peace officers, as defined in current law, employed by DPS&C, office of state police, other than state troopers.

Proposed law provides, pursuant to the Hazardous Duty Services Plan created by proposed law, that all hazardous duty personnel in such plan whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, shall receive a 3-1/3% accrual rate. Furthermore, proposed law eliminates the extra 1% accrual

for each year of service as a judge or court officer, for such persons whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011. Corrects reference to "peace officer" definition to R.S. 40:2402(3)(a).

II. LSERS

Present law, relative to members of LSERS, provides for accrual rates of 2.5%, 3%, or 3-1/3%, depending on the member's retirement date.

Proposed law retains present law, but provides that members whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, shall only receive an accrual rate of 2.5%.

III. LSPRS

Present law, relative to members of LSPRS, provides for an accrual rate of 3-1/3%.

Proposed law's New State Police Retirement Plan retains present law.

IV. GOVERNOR, LIEUTENANT GOVERNOR, LEGISLATORS, HOUSE CLERK, SERGEANT AT ARMS, SENATE SECRETARY

Present law provides for an extra 1% accrual rate in any actuarially funded retirement system for every year of service as the governor, a legislator, the clerk or sergeant at arms of the House of Representatives, and the secretary or sergeant at arms of the Senate.

Proposed law retains present law but eliminates the extra 1% accrual for years of service for such persons hired on or after Jan. 1, 2011.

DISABILITY RETIREMENT

I. LASERS - injuries not sustained in the line of duty

Present law provides a variety of disability retirement provisions for the following groups of employees for injuries sustained not in the line of duty:

- (1) Rank-and-file members hired on or before June 30, 2006; peace officers; enforcement personnel in the Dept. of Revenue, office of alcohol and tobacco control; judges; and the governor, lieutenant governor, the clerk and sergeant at arms of the House of Representatives, the secretary and the sergeant at arms of the Senate, regardless of hire date. Must have 10 years of service credit in order to receive a disability benefit. Such members shall receive a disability benefit that is the same as provided under the regular retirement provisions applicable to them.
- (2) Rank-and-file members hired on or after July 1, 2006. Must have 10 years of service credit in order to receive a disability benefit. Such members shall receive a disability benefit calculated based on a 2.5% accrual rate.
- (3) Wildlife agents. Must have 10 years of service credit. Shall receive disability benefits equal to 75% of their regular retirement benefit.

Proposed law retains present law for rank-and-file members. Furthermore, provides that judges, the governor, lieutenant governor, the clerk and sergeant at arms of the House of Representatives, and the secretary and the sergeant at arms of the Senate hired on or after Jan. 1, 2011, shall be treated as rank-and-file and shall receive the same disability as rank-and-file members in (2) above for injuries not sustained in the line of duty.

Proposed law provides that disability benefits for all hazardous duty personnel whose first employment making them eligible for membership in any of the state retirement systems occurs on or after Jan. 1, 2011, pursuant to the Hazardous Duty Services Plan established in proposed law, must have 10 years of service credit in order to receive a disability benefit.

Such members shall receive a disability benefit based on a 3-1/3% accrual rate for injuries not sustained in the line of duty.

II. LASERS - injuries sustained in the line of duty

Present law provides a variety of disability retirement provisions for the following groups of hazardous duty personnel for injuries sustained in the line of duty:

- (1) Wildlife agents - 60% of Final Average Compensation (FAC) with 10 years of service credit.
- (2) Corrections officers - 40% of FAC if less than 10 years of service credit. If he has 10 or more years of service, his disability retirement benefit shall be the greater of 40% of FAC or the amount that he would have received under regular retirement.
- (3) Peace officers - same as not in the line of duty above.
- (4) Enforcement personnel in the Dept. of Revenue, office of alcohol and tobacco control - same as not in the line of duty above.

Proposed law provides that hazardous duty personnel whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, subject to the Hazardous Duty Services Plan established by proposed law shall receive a disability benefit equal to 75% of FAC for injuries sustained in the line of duty.

III. TRSL

Present law provides that members who have five years of service credit shall receive a disability benefit equal to 2.5% x years of service x FAC, which shall not be less than the lesser of: (1) 40% of the minimum beginning teacher salary; or (2) 75% of FAC.

Present law also provides a multitude of benefits to the surviving spouse and children upon the disability retiree's death.

Proposed law provides that a member whose first employment making him eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, must have 10 years of service credit in order to receive a disability benefit. Such members shall receive a disability benefit that is the same as provided under the regular retirement provisions applicable to them. Upon the death of the disability retiree, the normal retirement benefit payment options selected by the retiree shall apply.

IV. LSERS

Present law provides that members hired on or before June 30, 2006, must have five years of service credit in order to receive a disability benefit, which benefit shall equal 2.5% x years of service x FAC, but shall not be less than 33-1/3% of FAC. A member hired on or after July 1, 2006, must have 10 years of service credit in order to receive a disability benefit, which benefit shall equal 3% x years of service x FAC. Upon the disability retiree's death, the surviving spouse shall receive 75% of the retiree's disability benefit.

Proposed law provides that a member whose first employment making him eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, must have 10 years of service credit in order to receive a disability benefit. Such a member shall receive a disability benefit that is the same as provided under the regular retirement provisions applicable to him (2.5% x years of service x FAC for a member hired on or after Jan. 1, 2011). Upon the death of the disability retiree, the normal retirement benefit payment options selected by the retiree shall apply.

V. LSPRS

Present law provides that a member must have five years of service credit in order to receive a disability benefit for injuries not sustained in the line of duty. Such members shall receive a disability benefit equal to 50% of FAC + 1.5% of FAC for every year of service in excess of 10 years.

Proposed law provides that in accordance with the New State Police Retirement Plan established by proposed law, members whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, must have 10 years of service credit in order to receive a disability benefit. Such a member shall receive a disability benefit that is the same as provided under the regular retirement provisions applicable to them ($3\frac{1}{3}\%$ x years of service x FAC) for injuries not sustained in the line of duty.

Present law provides that a member may receive a disability benefit for injuries sustained in the line of duty regardless of years of service credit. Such a member shall receive a disability benefit equal to 50% of FAC + 1.5% of FAC for every year of service in excess of 10 years.

Proposed law provides that in accordance with the New State Police Retirement Plan established by proposed law, members whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, shall receive a disability benefit equal to 75% of FAC for injuries sustained in the line of duty.

SURVIVOR BENEFITS

I. LASERS - death not sustained in the line of duty

Present law provides for benefits payable to surviving spouses and children upon the death of a member not yet retired who dies other than in the line of duty.

Present law provides for different survivor benefit amounts for surviving spouses and children typically expressed as a percentage of FAC. Provides that in an instance with a spouse and children, survivors shall receive 25% of FAC for the spouse and 50% of FAC for the children. In an instance with a spouse but no children, the spouse shall receive 50% of FAC. Children shall receive 75% of FAC divided equally among them if there is no surviving spouse.

Proposed law retains present law for members whose first employment making them eligible for membership in any state retirement system occurred on or before Dec. 31, 2010, but for members whose first employment making them eligible for membership in any state retirement system occurred on or after Jan. 1, 2011, provides that a spouse with children shall receive 50% of what the member's normal retirement benefit would have been. Additionally, any children shall each receive 50% of what the spouse would be entitled to under proposed law. A spouse with no children shall receive an actuarially reduced benefit.

II. LASERS - death sustained in the line of duty

Present law provides for numerous survivor benefits payable to surviving spouses and children of the wildlife agents and correctional officers who die while in the line of duty.

Proposed law provides, pursuant to the Hazardous Duty Services Plan established by proposed law, that for hazardous duty personnel whose first employment making them eligible for membership in any state retirement system occurred on or after Jan. 1, 2011, a surviving spouse and children of a member in hazardous duty services who dies in the line of duty shall receive 75% of FAC, which benefit shall be shared equally between the spouse and children.

III. LASERS - death of former or retired member

Present law provides for survivor benefits of former or retired members under actuarial computations based upon elected options.

Proposed law provides, pursuant to the Hazardous Duty Services Plan established by proposed law, that for hazardous duty personnel whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, a surviving spouse of a deceased retired member shall receive a benefit in an amount equal to 75% percent of the monthly retirement benefit that would have been payable to the decedent; provides that a surviving spouse of a deceased former member shall receive a benefit in an amount equal to 50% percent of the monthly retirement benefit that would have been payable to the decedent.

IV. TRSL

Present law provides that upon the death of member not yet retired, a spouse with children shall receive 50% of what the member's normal retirement benefit would have been. Additionally, any children shall each receive 50% of what a spouse would have been entitled to under present law. A spouse with no children shall receive an actuarially reduced benefit.

Proposed law retains present law.

V. LSERS

Present law provides that upon the death of member not yet retired, a surviving spouse with children shall receive 75% of FAC, 1/3 of which shall be allocated to the spouse and 2/3 to be allocated to the children. Children with no surviving spouse shall receive 75% of FAC. A spouse with no child shall receive 50% of FAC.

Proposed law retains present law for members whose first employment making them eligible for membership in any state retirement system occurred on or before Dec. 31, 2010, but for members whose first employment making them eligible for membership in any of the state retirement systems occurs on or after Jan. 1, 2011, provides that a spouse with children shall receive 50% of the amount that the member's normal retirement benefit would have been. Additionally, any children shall each receive 50% of what the spouse would be entitled to under proposed law. A spouse with no children shall receive an actuarially reduced benefit.

VI. LSPRS - survivor benefits for death not sustained in the line of duty

Present law provides for benefits payable to surviving spouses and children upon the death of a member not yet retired who dies other than in the line of duty. Provides that a surviving spouse shall receive a survivor benefit equal to 25% of FAC if the member had less than five years of service credit; 30% of FAC if he had more than five but less than 10 years of service credit; 40% if he had at least 10 but less than 15 years of service credit; and 50% if he had at least 15 but less than 20 years. If the member had 20 or more years of service, the surviving spouse shall receive a benefit equal to the amount that the member's regular retirement benefit would have been. Surviving children, without a surviving spouse, shall receive the greater of 60% of FAC or the regular retirement that the member would have received. Provides that in the absence of a surviving spouse or children, the member's parents shall receive 25% of FAC.

Proposed law retains present law for members whose first employment making them eligible for membership in any state retirement system occurred on or before Dec. 31, 2010, but for members whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, provides that a spouse with children shall receive 50% of the amount that the member's normal retirement benefit would have been. Additionally, any children shall each receive 50% of what the spouse would be entitled to under proposed law. A spouse with no children shall receive a benefit based on years of service that the employee had earned to the date of death.

VII. LSPRS - survivor benefits for death sustained in the line of duty

Present law provides that for a death sustained in the line of duty a member's surviving spouse shall receive 75% of the salary being received by the member. Surviving children, without a surviving spouse, shall receive 75% of FAC.

Proposed law provides, pursuant to the New State Police Retirement Plan established by proposed law, that for members whose first employment making them eligible for membership in any state retirement system occurs on or after Jan. 1, 2011, the surviving spouse and children of a member who dies in the line of duty shall receive 80% of FAC, which benefit shall be shared equally between the spouse and children.

Proposed law requires that any cost of proposed law be funded with the employee contributions provided in proposed law and with additional employer contributions in compliance with Art. X, §29(E)(5)(b) of the Constitution of La.

Effective Jan. 1, 2011.

(Amends R.S. 11:4, 62(4), (5)(a) and (c) and (10), 203, 211, 212, 214, 231, 403(5), 441(A) and (F), 444(A), 461(B), 471(A), 478(A), 551, 553 (intro. para.), 581, 601(B), 602, 701(5)(a), (b), and (c)(i), 761(A)(3), 768(B)(2), 778(C) and (D), 779, 1002(6)(b), 1141(A), 1144(B)(2)(a) and (3), 1147(C)(2)(b), 1151(A), 1307(A), 1310(A), 1313(B)(intro. para.), 1316(A), 1317(A)(1)(intro. para.), 1318(A), 1319, 1320(A), 1321(A)(1), 1322(A) and (B); Adds R.S. 11:62(5)(g), 471.1, 611-621, 761(A)(4), 779.1, 1002(6)(c), 1144(B)(4), 1147(C)(2)(a)(iii), 1151.1, 1313(C), 1323, 1323.1, 1345.1-1345.9 and R.S. 24:36(M))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Retirement to the original bill.

1. Eliminates requirement that members to whom proposed law applies shall pay employee contributions in the amount of one-half of the system's normal cost, and instead required non-hazardous duty members to pay 8% and hazardous duty members to pay 9.5% in employee contributions.
2. For non-hazardous duty members to whom proposed law applied, changes retirement eligibility provisions from 10 years of service at age 60 to five years of service at age 60, and added a provision allowing such person to retire early with 20 years of service at any age subject to an actuarial reduction of benefits.
3. For hazardous duty members to whom proposed law applies, changes the 10 years at age 60 retirement eligibility provision to 12 years of service at age 55.
4. Relative to LASERS disability provisions, makes technical corrections clarifying that disability must be total and permanent.
5. Relative to LASERS provisions requiring survivor benefits to cease upon remarriage of the beneficiary, requires the beneficiary to notify LASERS within 30 days of remarriage.
6. Relative to the payment of survivor benefits to trusts of beneficiaries under proposed law, provides that if the trust terminates prior to the death of the beneficiary, the benefits shall be paid to the person having legal custody of the beneficiary.
7. Relative to LASERS Hazardous Duty Services Plan members under proposed law choosing early retirement, provides that for a person who is in state service at the time of retirement, his benefit shall be reduced from the earliest age that he would normally become eligible for regular retirement, as though he had continued working to that age. For a person out of state service at the time of retirement, the years of service he has accrued at the time of retirement shall be used to determine the earliest age that he would normally become eligible for regular retirement.

House Floor Amendments to the engrossed bill.

1. Adds provisions relative to the employee contributions paid by legislative sergeants at arms.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Retirement to the reengrossed bill.

1. Technical amendments.
2. Makes bill provisions applicable only to persons whose first employment making them eligible for membership in any state retirement system began on or after January 1, 2011.
3. Allows rank-and-file members hired on or after July 1, 2006, to retire: (1) at age 60 with five years of service credit; and (2) at any age with 20 years of service credit, but subject to an actuarial reduction of benefits.
4. Adds investigators of the office of inspector general who are in positions required to be P.O.S.T.-certified to the list of members of the hazardous duty plan.
5. For LASERS members whose first employment making them eligible for state system membership occurred on or before December 31, 2010, allows transfer of service credit and upgrade of accruals earned in other plans to the hazardous duty plan under certain circumstances, requiring the member to pay any additional costs including those related to Office of Group Benefits premiums.
6. Provides for survivor benefits for former or retired members of LASERS Hazardous Duty Plan or of the New State Police Retirement Plan; provides that a surviving spouse of a deceased retired member shall receive a benefit in an amount equal to 75% of the monthly retirement benefit that would have been payable to the decedent; provides that a surviving spouse of a deceased former member shall receive a benefit in an amount equal to 50% of the monthly retirement benefit that would have been payable to the decedent.